REMARKS BY C. G. STAMM, CHIEF, DIVISION OF IRRIGATION AND LAND USE, BUREAU OF RECLAMATION, AT A LUNCHEON MEETING OF THE WASHINGTON STATE RECLAMATION ASSOCIATION AT YAKIMA, WASHINGTON, SEPTEMBER 29, 1961

I am honored to be here today to pinch-hit for Under Secretary Carr who was unable to attend because of previous commitments. Commissioner Dominy sends his greetings and best wishes for a successful conference. The Department of the Interior has a considerable stake in the State of Washington, having a great deal to do with the administration of the land in Federal ownership within the State of Washington, lands which comprise approximately 30 percent of the total land area of the State, and with operation, maintenance, and administration of Federally constructed works.

In the four operating Reclamation projects in Washington, there are nearly 900,000 acres of irrigable land now served from Federally constructed facilities. Authorizations, including expansion of the Columbia Basin Project, will add another 600,000 acres. These lands have produced over $2 billion worth of irrigated crops since the projects were built. The Yakima Project surrounding our host city was one of the first projects built by the Bureau, and its Tieton Division was one of the first to repay its construction cost obligation. The project has been an outstanding success. Only two weeks ago, I had the privilege to tour part of the valley and see again, firsthand, what water, good land, and the efforts of industrious farmers can produce in the way of successful farms, substantial homes, and all the community facilities and services required for happy, healthful living.
Federal power developments include almost 6 million kw. of capacity in and immediately adjacent to the State. These power developments have contributed significantly to the State’s irrigation and industrial development. Flood control works and operation of irrigation works for flood control benefits have gone far toward protecting life and property and giving security to flood plain economies.

These programs in which the Federal Government has cooperated have assisted private enterprise to push ahead. The economy of this valley or the State would not have attained its present level without this joint action. Further developments and continuing growth are a must if we are to provide widening opportunities for the growing generations. This is a challenge, and your association can give leadership in developing a unity of purpose essential to that success.

The persons responsible for conducting the affairs of the Bureau of Reclamation in the Nation’s capital are frequently faced with having to estimate long-range conditions - 25, 50, 75 years in the future. For instance, when we negotiate a repayment contract, we must be as realistic as possible in forecasting costs and returns. That means future supply and demand, prices and price relationships. This is not easy, recognizing that the national population will easily double within the useful life of projects now being built; and there will be new developments and new products that we can’t even visualize
now. Fortunately, if we fail in our projection, the Congress has provided an opportunity for us to take a new look.

Some of the trends we think are important in decisions affecting the future of the Reclamation program include (1) a growing interest, based on necessity, in water resources development, (2) the Administration's Water Resources Planning bill, (3) greater recognition of auxiliary or multiple-purpose functions and related cost sharing, (4) increasing competition for water, and (5) the combined effects of population growth, urbanization, and loss of agricultural land. Let us consider each of these briefly:

(1) **Expanding interest in water resources development** - Nationally, there is a growing interest and down-to-earth thinking in this regard. The tremendous task undertaken and well carried out by Senator Kerr's Senate Select Committee on National Water Resources was a significant forward step in this direction. The Committee held 25 hearings in 21 States. It has assessed the magnitude of the problem and directed attention to the urgent need for action to meet the impending demands. In the Congress, two other important policy steps were taken this session. Amendments to the Federal Water Pollution Control Act assure consideration of water storage for streamflow regulation to control water quality and provide measures for enforcement
of pollution abatement. Amendments to the Water Supply Act of 1958 will facilitate the building of reservoir capacity, in advance of need, for future municipal and industrial water purposes.

(2) The Administration's Water Resources Planning bill now before the Congress is another important straw in the wind. This bill proposes setting up of a Water Resources Council to guide river basin planning and to establish River Basin Commissions for coordinating the various efforts of State, local, and Federal agencies in water resources planning.

(3) Greater recognition of multiple project purposes - The current trend toward increasing the emphasis on the auxiliary or multiple purposes of Reclamation projects is important. These purposes include: Flood control, municipal and industrial water, recreation, pollution control, and fish and wildlife. Costs assignable to the primary function of irrigation, as you know, are traditionally 100% reimbursable. Power and municipal and industrial water allocations also are fully reimbursable. In several recent authorizations, municipal and industrial water supply is the primary project purpose. For example, the Canadian River Project in Texas is almost wholly municipal and industrial water with only a minor allocation to flood control. The project will serve 11 municipalities which have executed the largest single repayment contract in Reclamation history - $93 million.
Broadening the scope of project uses has been accelerated by the progressively greater recognition in the Congress of the importance of cost sharing among project functions. By this, I mean more equitable distribution of costs among those who benefit — with the irrigator getting some relief from his historical role of having to pay most or all of the bill. However, when irrigation accepts this help, it must also be willing to have the project operated to produce the multiple benefits envisioned and to which costs have been allocated.

(4) Increasing competition for water - There is a marked trend toward increasing competition for water among States and among drainage basins within States and also increased competition among the several functional uses of water. This leads to complexities in planning and operating projects. The cheapest, new source of supply to meet expanding water needs in many areas may be through reduction of canal and lateral losses and through more efficient use.

(5) And, lastly, there are the social and economic trends or patterns which are already well established and well-known. One of these is the rapidly increasing population and its westward migration. The relative increase will be greater
in the State of Washington than for the Nation. By 1980, the Nation's population is expected to increase 45 percent, while this State will increase 55 percent. By year 2000, it is estimated the Nation's population will be 112 percent greater; but the State of Washington's population will expand 139 percent. With this increase in population, we can expect increasing urbanization of the country and the accelerating loss of farmland to nonfarm uses. This annual loss now exceeds one million acres.

These things are some of the main components of the pot from which policy decisions are evolved. And, as you probably are well aware, decisions can seldom be made purely on the merits of the single issue. Before the executive branch can support or the legislative branch authorize and appropriate money for a given purpose, it must be considered in the light of an intricate maze of pressing foreign and domestic demands for our time, resources, and dollars. This is due to the pressing needs in these times for national security and international peace. I am sure you understand this limitation. To predict that we ever shall be free from heavy demands upon the budget for national security would be to disregard the lessons of history. Because we must fit our program into a highly competitive Federal budget, there is ever greater need for sound judgment and strong justification in program proposals.
Within the framework of overall national needs, we must always be alert to point out that reclamation is a wealth-producing and wealth-generating activity and is among the few programs the costs of which are reimbursable. Although flood control, recreation, and fish and wildlife functions have been recognized as nonreimbursable functions in a number of Reclamation project authorizations, approximately 92 percent of the total cost of projects built and authorized to date will be fully repaid directly by the water and power users.

There is one important point we must realize - that is, that the Congress is not going to let the irrigation water user off the hook as far as repayment of irrigation costs is concerned. I believe we can be sure that the Reclamation program would have died an early and lonely death if there hadn't been the repayment provisions in Reclamation law. I see no repayment policy changes of great consequence in store for us.

However, with regard to the trend toward greater recognition of the nonirrigation functions of multiple-purpose Reclamation projects, there may be in store a measure of added support for the water users on new projects. As the recreation, anti-pollution, and other nonirrigation functions (which are largely nonconsumptive uses of water) receive greater acceptance and the share of the project cost assigned to these can be raised as justified, the share of cost allocated to irrigation naturally can be reduced in
proportion. Thus, where the irrigator would otherwise pay all the costs, his repayment obligations would be reduced. In those cases where project power revenues would be required for repayment assistance, the burden on power revenues would be reduced, and so their availability for assistance elsewhere would be expanded.

The National Reclamation Association was originally formed to support reclamation of arid western lands. How well is the organization doing this now? Is there too much neutralism on important issues? Are we unwilling to take a stand? I am hopeful that the Washington State Reclamation Association can and will continue to give vigorous support to western water resource development programs for irrigation and related purposes. Such support should not overlook the need for building greater understanding of the program in the minds of individuals in the non-Reclamation states. There are a number of critical areas in which some hard work needs to be done.

(1) There is need for leadership to meet the constant challenge advanced by those who advocate suspension of the irrigation program while there are crop surplus problems. Advocates of irrigation development in the West must assist in preparing and presenting the facts to show the true worth of irrigation developments.

Out of 150 different crops grown on Reclamation irrigated lands, worth over a billion dollars annually, the quantities that are
in the surplus category are negligible. And, by the way, isn't it time we begin to consider our food abundance as a national asset, rather than a liability? It is difficult to conceive of Mr. Khrushchev wringing his hands in pain because his farmers had produced ample quantities of food. Five crops - wheat, corn, cotton, grain sorghum and tobacco - make up 96 percent of the Commodity Credit Corporation holdings. No tobacco is produced on Reclamation farms. Of the other four crops, the amount that has gone into CCC hands from Reclamation farms is very small - only 2 percent of the total CCC holdings. Obviously, Reclamation farms cannot be said to be a significant part of the surplus problem.

Some other points that can be used to prove justification for irrigation are the superior efficiency of irrigation farming, the stabilizing effects on dryland economies, the early need to satisfy demands created by the population explosion, the need for replacement of farmlands lost to nonagricultural uses, and the urgency of building a broader and better economic base for the sparsely settled western areas. These and other reasons have to be amplified and used where they can be an influence. Eastern interests must be better informed as to the real facts of the issue. And, I would say we should not
ignore the western segment either, for there are many, even in the West, who do not know that irrigation costs of Federal projects are reimbursable.

(2) Another area of work wherein this Association can make a contribution is in supporting and coordinating the nonirrigation functions of proposed Reclamation projects. Joint-purpose programs need to be worked out so that conflicting interests, you know where they are, can become compatible. This organization can help.

(3) There is need for research. The competitive demands upon the limited water resources of the West make it highly important for organizations such as yours to join in support of much needed research programs. Only recently has Reclamation had any nonreimbursable money for engineering research. While this was long overdue, it is better late than never. Dollars spent on research will be returned many times over in efficiencies and savings.

In many irrigation systems, 30% of the water is lost before it reaches the farmer’s headgate. This could be made available to relieve shortages or for future expansion if a low-cost method could be developed for substantially reducing canal losses. The objective should be to prevent loss in the first
place rather than to build and operate expensive drainage systems which not only create cost burdens but actually infringe on a project's irrigable area. Support for research to help reach this and similar objectives must be reinforced.

(4) Another worthwhile objective is that of getting additional financial support for project construction from the local nonfarm beneficiaries. For every farmer on our projects, two persons are employed in the local towns. Furthermore, the farmer frequently has a comparatively low net income, but the highest risk factor of all these beneficiaries. There is no scarcity of evidence to prove that the investment opportunities and livelihoods of local businessmen, tradesmen, and local industry workers are largely derived from the economic base created by irrigation. For example, here in the Yakima Valley, the Federal Reclamation investment has been $77 million, of which $31 million has already been paid back to the U. S. Treasury and the remainder is coming back according to plan. To date, the added Federal income and excise taxes collected here as a result of the business stimulus has exceeded $364 million, almost 5 times the Federal investment. There have been hundreds of productive investment opportunities and thousands of jobs created as a direct result of the Reclamation program. Truly, irrigation
has made the Yakima Valley the stable, successful community it is today; but remember, if you will, the irrigation farmer has underwritten the cost. I believe that more widespread and more direct financial help is due from these other local beneficiaries. Recognizing the realities of life, I am fully aware that there is little hope for obtaining such participation on established projects, but it has got to come on the new ones.

In summary, I want to emphasize that the Reclamation story needs to be told beyond the boundaries of the irrigated areas and beyond the western irrigation states. What organization has a better reason or right to tell it broadly than the N.R.A. and its state counterparts? This means, however, that you must take a stand on Reclamation issues. Get solidly behind the push for more recognition of recreation in the program, for resolution of conflicts among various conservation interests, for power assistance to irrigation, for research to conserve our water, stop canal losses, save operation and maintenance costs, and even support for a Westwide irrigation account. Are you willing to conduct such an offensive, a renewed crusade, for sound water resource development? I urge that you make your voice heard where it can do the most good. And, gentlemen, I really believe that the maximum prosperity and
full economic development of this State, as well as the West, depends upon it.

It has been a distinct pleasure for me to be here today and to meet so many old friends and make new acquaintances. Please be assured that the work of your Association is recognized, is effective, and is widely appreciated. May it ever be so. Thank you.